

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

03-05

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
July 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

CFR 42

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 0b. FFY 2004 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A pages 4, 4a, 12 and 13

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Attachment 4.19A pages
4, 4a, 12 and 13

10. SUBJECT OF AMENDMENT:

Revised to include definition of Specialty Pediatric hospital and to exclude
Specialty Pediatric hospitals from receiving disproportionate share payment
and outlier payments.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *Geo*☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Steve Roling

14. TITLE:

Director

15. DATE SUBMITTED:

3/21/03

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 24, 2003

18. DATE APPROVED:

001-9-03

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

Dennis G. Smith

21. TYPED NAME:

Dennis G. Smith

22. TITLE:

DIRECTOR, CMSO

23. REMARKS:

- K. Non-reimbursable items. For purposes of reimbursement of reasonable cost, the following are not subject to reimbursement:
1. Allowances for return on equity capital;
 2. Amounts representing growth allowances in excess of the intensity allowance, profits, efficiency bonuses, or a combination of these;
 3. Cost in excess of the principal of reimbursement specified in 42 CFR chapter IV, part 413; and
 4. Costs or services or costs and services specifically excluded or restricted in this plan or the Medicaid hospital provider manual.
- L. Per Diem rates. The per diem rates shall be determined from the individual hospital cost report in accordance with section III.
- M. Reasonable cost. The reasonable cost of inpatient hospital services is an individual hospital's Medicaid per-diem cost per day as determined in accordance with the general plan rate calculation from section III of this regulation using the base year cost report (by dividing allowable Medicaid inpatient costs by total Medicaid inpatient days, including nursery days).
- N. Specialty Pediatric Hospital. An inpatient pediatric acute care facility which:
1. Is licensed as a hospital by the Missouri Department of Health and Senior Services under Chapter 197 of the Missouri Revised Statutes;
 2. Has been granted substantive waivers by the Missouri Department of Health and Senior Services from compliance with material hospital licensure requirements governing (a) the establishment and operation of an emergency department, and (b) the provision of pathology, radiology, laboratory and central services; and
 3. Is not licensed to operate more than 60 inpatient beds.
- O. Trend factor. The trend factor is a measure of the change in costs of goods and services purchased by a hospital during the course of one (1) year.
- P. Children's hospital. An acute care hospital operated primarily for the care and treatment of children under the age of eighteen (18) and which has designated in its licensure application at least sixty-five percent (65%) of its total licensed beds as a pediatric unit as defined in 19 CSR 30-20.021(4)(F).
- Q. FRA. The Federal Reimbursement Allowance shall be an allowable cost.
- R. Hospital-sponsored primary care clinic—A clinic location which has met all of the following criteria:
1. The clinic shall not be physically located within a licensed hospital;
 2. The clinic must be enrolled as a Medicaid provider;

3. The clinic is not certified by the Division of Health Standards and Quality, Health Care Financing Administration (HSQ/HCF) as being part of any hospital; and
4. The sponsoring hospital has completed and returned Hospital-Sponsored Primary Care Clinic Application to the Missouri Division of Medical Services by May 1, 1994, providing verification of the following:
 - A. The sponsoring hospital and the clinic are subject to the bylaws and operating decisions of the same governing body; or
 - B. The sponsoring hospital contributes at least five hundred thousand dollars (\$500,000) annually towards the operation of the clinic.

- D. Specialty Pediatric hospitals shall not qualify for disproportionate share payments by meeting the state defined requirements. However, they will qualify for disproportionate share payments if they meet the federal requirements as defined in (VI) (A) 1. and (VI) (A) 2.
- E. Hospitals shall not send amended cost reports or other data necessary for qualification for disproportionate share classification for purposes of rate reconsideration unless the reports or other necessary data are received within sixty (60) days of the date of the division's notification of the final determination of the rate.
- F. OBRA 93 Limitation. In accordance with OBRA 93, disproportionate share payments shall not exceed one hundred percent (100%) of the unreimbursed cost for Medicaid and the cost of the uninsured. The OBRA 93 Limitation shall be computed using the fourth prior year desk reviewed cost report trended thru the State Fiscal Year. If the sum of disproportionate share payments exceeds the estimated OBRA 93 limitation, the difference shall be deducted in order as necessary from safety net payment, other disproportionate share lump sum payments, direct Medicaid payments, and if necessary, as a reduced per diem.